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Oil is back above $100. *Getting it there is the problem.*

Oil above $100 exposes the cost of disrupted pipelines, shipping and refining. Plus the inflation squeeze, AI earnings, private-market deals and the problem with voluntary AI restraint.

By **Nicusor Popescu** with Ben Jaletzke · Published Sep 15, 2026 · Data as of Sep 14, 2026 · UTC−08:00

Vol 1, Issue 10 — Pipelines, ports and refineries determine which barrels reach consumers. Conceptual illustration.

THE BRIEF

Oil is back above **$100 a barrel**, and the pressure is greater further down the supply chain. The International Energy Agency reports that global oil inventories fell by **95 million barrels in August**, taking the decline since February to 507 million. U.S. diesel averaged more than **$6 a gallon** on Friday. The problem is reaching consumers through transport and fuel costs.

Attacks on Saudi Arabia's East-West pipeline on **10 September** made an already strained system more vulnerable. The route carries crude to Yanbu on the Red Sea, bypassing the disrupted Strait of Hormuz. By Monday, regional officials told AP that repairs could take three to five weeks. Houthi advances around the southern Red Sea put pressure on the alternative shipping route too.

This is a supply shortage compounded by a transport and refining shortage. The IEA says more than 10 million barrels a day of Gulf production remained shut in during August, while refinery activity was below last year's level. Existing oil cannot meet demand if it cannot reach the right refinery, or if the resulting fuel cannot reach customers. Spare production capacity is useful only when the rest of that chain works.

The diesel squeeze has also entered diplomacy. On Sunday, Donald Trump urged Ukraine to stop attacking Russian diesel infrastructure. On Monday, Volodymyr Zelenskyy said Ukraine was ready to halt strikes if allies secured a genuine Russian commitment to spare Ukrainian critical infrastructure. That conditional position falls short of a verified ceasefire.

These constraints are slow to repair. Rerouting tankers takes time and raises freight and insurance costs. Refineries cannot freely substitute every crude grade. Higher diesel prices then reach trucks, farms and construction sites, while jet fuel puts pressure on airlines. Central banks face another inflation risk even where demand is weakening.

OUR BRIEF

Watch the barrels that can actually be delivered, refined and used. Pipeline repairs, refinery availability, shipping access and inventories will tell us more about relief for consumers than the crude price alone.

Sources: IEA — September oil market report · AP — Saudi pipeline outage · Rigzone — attack chronology and oil prices · AP — diesel prices and Trump's appeal · AP — Ukraine's conditional response

Macro

Factor / Theme	Our read
U.S. inflation another test for the Fed	August CPI rose **0.4% month-on-month and 3.4% year-on-year**; core prices increased 0.3% on the month. Gasoline accounted for more than a third of the headline monthly increase. The risk is that renewed energy pressure keeps inflation elevated even as other parts of the economy slow. BLS, 11 September
ECB tightening resumes	The ECB announced a **25bp increase to a 2.50% deposit rate**, effective 16 September. It also raised its growth forecasts for 2026 and 2027. Europe is tightening as energy inflation meets an economy that has proved more resilient than expected. ECB, 10 September
UK services support growth	GDP grew **0.4% in July** and was **1.6% higher than a year earlier**. Services made the largest contribution to monthly growth. Stronger output is welcome, but a single month's sector data cannot establish how much growth came from AI adoption. ONS, 11 September
China prices rise faster upstream	Consumer prices rose **0.8% year-on-year**, while factory-gate prices increased **3.8%**. Higher producer prices alone do not establish a recovery in household demand. The distinction matters for companies trying to pass on rising costs. NBS — CPI · NBS — PPI
Global bonds financing gets harder	U.S. 10-year Treasury yields approached **5%** last week as oil and inflation concerns strengthened expectations of tighter policy. Higher discount rates make distant earnings worth less today. AI investment may add to financing demand, but the week's bond moves do not isolate that effect from inflation and government borrowing. Reuters, 11 September

Public Markets

Name / Theme	What happened	Our read
Oracle a larger contracted backlog	Quarterly revenue rose **30% to $19.3bn**. Oracle booked more than **$30bn** in additional AI cloud contracts, taking remaining performance obligations to **$664bn**. Oracle, 10 September	The contracts strengthen the case for building capacity. They still need to become delivered services and collected cash; backlog is not current revenue or profit.
Adobe adoption and competition	Revenue reached **$6.76bn**, up 13%, and annualised recurring revenue from AI-first products grew more than **150%**. Adobe raised its full-year revenue and earnings targets. Adobe, 10 September	AI can improve an incumbent's products while helping competitors recreate parts of them. Adoption matters; durable pricing power is the harder test.
Apple a $1,999 upgrade	Apple introduced its first foldable iPhone, the **Duo**, starting at **$1,999** in the U.S. Pre-orders begin 16 October, with initial availability on 23 October. Apple, 9 September	The commercial question is whether the new format gives enough customers a reason to pay more and replace their existing phones.
Inditex growth with cost pressure	First-half sales rose **7.6%** and net profit increased **6.8%**. Constant-currency sales grew **9% from 1 August to 7 September**. Operating expenses grew faster than first-half revenue. Half-year results, 9 September · Results analysis	Strong sales can coexist with pressure on operating profitability. The question is how much of the growth survives higher transport and other operating costs.
Samsung + SK Hynix payouts and governance	Shareholder-return plans exceed **130 trillion won, roughly $97bn**, combined for this year, Reuters reported. Investors welcomed the payouts while continuing to seek governance reform. Reuters, 10 September	Returning cash helps. Permanent improvements in minority-shareholder treatment are a different commitment from distributing the proceeds of a strong cycle.
Kroger slower sales, steady profit outlook	Kroger cut its full-year identical-sales growth forecast excluding fuel from **1–2% to 0.2–0.8%**, while retaining its adjusted operating-profit and earnings guidance. The sales forecast includes a roughly **140bp headwind from the Inflation Reduction Act**. Kroger, 11 September	The downgrade deserves attention, but treating it solely as evidence of consumers cutting grocery spending misses the policy-related headwind. Cost savings and improved e-commerce profitability are supporting earnings.

M&A

Name / Theme	What happened	Our read
Enbridge Tallgrass	Enbridge agreed to buy Tallgrass's crude transportation business for approximately **$2.6bn**, including a **75% interest in the 1,050-mile Pony Express pipeline** and storage assets. Enbridge, 9 September	The deal illustrates the enduring value of transport and storage. Its economics will depend on regional flows and contracts, not simply on the global oil price.
TeamSystem liquidity without a listing	Francisco Partners and KKR agreed terms for minority stakes at a reported **€8–10bn valuation**, according to Reuters' sources. The parties declined to comment. Reuters, 11 September	Private transactions can establish a valuation and return capital while an IPO remains difficult. They also leave investors dependent on a later route to exit.
Accel-KKR Eleco	A recommended cash offer values Eleco's equity at approximately **£207.6mn**, a **74.7% premium** to the prior close. The implied enterprise value is about **20.2 times 2025 EBITDA**. Eleco, 10 September	The premium highlights the gap between a buyer's valuation and the quoted share price. It does not by itself establish that all small UK software companies are undervalued.
Blackstone Korean logistics	Blackstone funds invested in a majority interest in **Sanha Logistics Park II**, a dry-storage logistics development, alongside ESR. ESR, 10 September	Location, transport access and the difficulty of adding competing supply remain central to the investment case for warehouses.
Energy Holdings Ventura Offshore	The companies agreed an all-share combination to create a larger offshore-services and deepwater-drilling group. Ventura Offshore, 11 September	Consolidation can broaden the contract base and improve capital allocation. High spot oil prices alone do not guarantee sustained demand for offshore drilling.
Mubadala Luckin Coffee	Mubadala agreed a minority investment alongside Centurium Capital in a transaction worth approximately **$1bn in aggregate**, subject to closing conditions. Mubadala, 10 September	The transaction backs Luckin's continued expansion. The aggregate deal value should not be confused with Mubadala's individual investment or its direct ownership percentage.

Staying Diligent

The week of 14–18 September

Calendar and analysis as of 14 September; publication 15 September.

Event / Theme	Why we care
Fed Wednesday 16 September	The policy decision and updated projections will show how the Fed weighs persistent inflation against growth risks. Watch the expected path of rates as closely as the immediate decision. FOMC calendar
Bank of Japan Friday 18 September	The meeting concludes on Friday. Any rate change and guidance about subsequent tightening matter for the yen and the cost of funding investments abroad. BOJ schedule
UK labour, inflation and the Bank	Labour data on Tuesday and CPI on Wednesday precede Thursday's Bank of England decision. Read activity and wage growth alongside the inflation numbers. ONS calendar · Bank of England
U.S. retail sales Wednesday 16 September	August retail sales offer another test of household demand. The release measures sales in cash terms, so higher prices can lift spending without an equivalent increase in purchases. Census release schedule
Lennar Wednesday 16 September	Results are due after the market closes, followed by Thursday's earnings call. Orders, incentives and margins will help explain how housing demand is responding to financing costs. Lennar announcement
Oil repairs and actual flows	Watch East-West pipeline repair progress, Red Sea shipping access and refinery availability. A reopening announcement matters only if it produces sustained deliveries. AP, 14 September

The AI race has a prisoner's dilemma.

On 12 September, Dario Amodei called for slower advances in frontier AI capabilities so safeguards could catch up. Sam Altman and Elon Musk expressed support. That is a meaningful public position. It is not yet evidence of a coordinated slowdown.

Suppose Anthropic delays its next model for six months. If its competitors do the same, everyone gains more time to test. If they continue, Anthropic risks losing ground. The collective benefit of restraint can conflict with each company's incentive to move first.

Governments face a similar problem. Washington may worry that restraint gives China an advantage; Beijing may distrust rules designed by U.S. companies. Investors, meanwhile, have funded infrastructure on expectations of continued progress. Agreement on the risks does not resolve those competing interests.

Verification therefore matters. Independent evaluations and access for external safety teams could make commitments more credible. But the practical questions remain: which capabilities trigger a delay, who judges the evidence, and what happens when a participant refuses?

A slowdown could also alter the timing of demand for chips, data centres and power. That is a scenario to examine, not a forecast implied by a public statement.

OUR VIEW

The test is whether these commitments change behaviour when restraint is costly. Shared concern is a starting point. Enforceable standards, credible verification and evidence that companies follow them are what would make it consequential.

Sources: Dario Amodei — We Must Pace the Frontier · ABC — responses from Altman and Musk

In Other News

Where have all the hurricanes gone?

As of 12 September, the Atlantic had produced five tropical storms and no hurricanes: the latest such start in the reliable modern record, according to meteorologists cited by AP.

Warm water alone does not determine hurricane activity. El Niño tends to increase wind shear over the Atlantic, disrupting the organisation storms need to strengthen. NOAA's seasonal outlook explicitly weighs competing oceanic and atmospheric conditions.

The useful lesson for investors is modest. A favourable long-term trend does not guarantee a particular outcome. A company may correctly identify rising demand and still fail because financing, distribution or supply becomes the limiting factor. Models need to account for the interaction of those conditions, not simply identify a promising one.

And the season is not over. A quiet start does not eliminate the risk of a damaging storm.

The lesson: being right about a trend is only part of the analysis. You also need to understand what could prevent it from producing the expected result.

Sources: AP — the unusually quiet season, 12 September · NOAA — El Niño and Atlantic hurricanes · NOAA — seasonal outlook

The Thinking Corner

When collective restraint makes a system safer, but acting alone puts each participant at a disadvantage, what evidence would make you trust voluntary coordination?

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